(d) and (e) Government of India's foreign investment policy and related initiative are in recognition of the growing importance of foreign direct investment as an instrument of technology transfer, augmentation of foreign exchange reserves and globalisation of the Indian economy. Country-specific investment incentives are, however, not provided by Government.

Formulation of rehabilitation scheme for Orichem Limited

3324. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Board of Industrial and Financial Reconstruction has formulated a draft scheme for the rehabilitation of the workers of Orichem Limited, a State Government Public Undertaking;

(b) if so, what are the full details thereof and the reasons therefor;

(c) whether it is also a fact that the company employing 137 workers had accumulated losses to the tune of Rs. 3.42 crore in 1993;

(d) whether the Company had become industry under Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985; and

(e) if so, the steps taken by Government to improve the condition of the said undertakings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (e) The Board for Industrial and Financial Reconstruction (BIFR) has reported that a scheme for revival of Orichem Limited, a public sector undertaking of the Government of Orissa, was sanctioned by it on 5-12-1994.

(b) The scheme envisages increase in production of Sodium Dichromate from 2630 tonnes to 2960 tonnes per annum and supply of required quantity of Chromite Ore at 15 per cent discount by the Industrial Development Corporation of Orissa Limited (IDCOL). 50 per cent of the price payable for supply of Chromite Ore would be retained by Orichem for about five years. This would amount to approximately Rs. 2.50 crore, part of which would be converted into equity in favour of IDCOL and the remaining into interest free unsecured loan from IDCOL. Full details of the scheme are mentioned in the BIFR's Order dated 5th December, 1994 in case No. 613/03. Provision exists in the BIFR Regulations for inspection of documents by interested parties.

(c) BIFR has reported that as per reference made by Orichem Limited in March, 1993, the company employed about 137 workers and the accumulated losses stood at Rs. 3.42 crores as on 31-3-92.

(d) The company was declared sick by the BIFR on 28-1-1994 under Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Index Linking the rate of Inflation

3325. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to devise an index, linking the rate of inflation and an indexed subsidy to be given to PDS commodities;

(b) whether it is a fact that the Finance Ministry has been insisting on reducing food subsidies; and

(c) the steps proposed to have level of subsidy linked to the rate of inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) There is no such proposal under the consideration of the Government.

Food subsidy is unavoidable in view of the commitment for poverty alleviation. However, by better targetting of food subsidy, the Government could attempt to restrict the growth of subsidy.